

104TH CONGRESS
1ST SESSION

H. R. 2226

To amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the medicaid program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 1995

Mrs. MALONEY (for herself, Mr. OWENS, Mr. ENGEL, Mr. SERRANO, Ms. VELÁZQUEZ, and Mr. NADLER) introduced the following bill; which was referred to the Committee on Commerce

A BILL

To amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the medicaid program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Medicaid Fair Funding
5 Act of 1995”.

1 **SEC. 2. CHANGE IN FEDERAL MEDICAL ASSISTANCE PER-**
2 **CENTAGE.**

3 (a) IN GENERAL.—Subsection (b) of section 1905 of
4 the Social Security Act (42 U.S.C. 1396d(b)) is amended
5 to read as follows:

6 “(b)(1)(A) Except as provided in paragraph (3), the
7 term ‘Federal medical assistance percentage’ means, for
8 each of the 50 States and the District of Columbia, 100
9 percent reduced by the product of the applicable percent-
10 age (as defined in subparagraph (B)) and the ratio of—

11 “(i) the per capita income ratio (as defined in
12 subparagraph (C)) of the State, to—

13 “(ii) the population in poverty ratio (as defined
14 in subparagraph (D)) of the State.

15 “(B)(i) For purposes of this subsection, the term ‘ap-
16 plicable percentage’ means a percentage estimated by the
17 Secretary with the advice of the General Accounting Office
18 that, when applied under subparagraph (A), would result
19 in an amount of aggregate payments under section
20 1903(a) for calendar years 1996 through 2000 equal to
21 the amount of aggregate payments that would have been
22 made under such section for quarters in such years if this
23 subsection were applied as in effect on the day before the
24 date of the enactment of the Medicaid Fair Funding Act
25 of 1995.

1 “(ii) The applicable percentage estimated by the Sec-
2 retary under clause (i) shall continue to apply with respect
3 to quarters beginning after calendar year 2000.

4 “(C) For purposes of this subsection, the term ‘per
5 capita income ratio’ means—

6 “(i) an amount equal to the most recent 3-year
7 average of the total personal income of the State, as
8 determined in accordance with the provisions of sec-
9 tion 1101(a)(8)(B), divided by

10 “(ii) an amount equal to the total personal in-
11 come of the continental United States (including
12 Alaska and Hawaii), as determined under section
13 1101(a)(8)(B).

14 “(D) For purposes of this subsection, the term ‘popu-
15 lation in poverty ratio’ means—

16 “(i) an amount equal to the 3-year-average of
17 the number of individuals in the State whose family
18 income is below the income official poverty line (as
19 defined by the Office of Management and Budget
20 and revised annually in accordance with section
21 673(2) of the Omnibus Budget Reconciliation Act of
22 1981), divided by

23 “(ii) an amount equal to the sum of the aver-
24 ages determined under clause (i) for the 50 States.

1 “(2) The Federal medical assistance percentage for
2 Puerto Rico, the Virgin Islands, Guam, the Northern Mar-
3 iana Islands, and American Samoa shall be 50 percent.

4 “(3)(A) Except as provided in subparagraph (B), the
5 Federal medical assistance percentage shall in no case be
6 less than 40 percent or greater than 83 percent.

7 “(B) The Federal medical assistance percentage shall
8 be 100 percent with respect to amounts expended as medi-
9 cal assistance for services which are received through an
10 Indian Health Service facility whether operated by the In-
11 dian Health Service or by an Indian tribe or tribal organi-
12 zation (as defined in section 4 of the Indian Health Care
13 Improvement Act).

14 “(4) For purposes of any provision of law other than
15 a provision of this title, unless otherwise specifically pro-
16 vided, any reference to the ‘Federal medical assistance
17 percentage’ as defined in this section shall be considered
18 a reference to such term as defined under this subsection
19 as in effect on the day before the date of the enactment
20 of the Medicaid Fair Funding Act of 1995.”.

21 (b) CONFORMING AMENDMENT.—Section 1118 of the
22 Social Security Act (42 U.S.C. 1318) is amended by strik-
23 ing “(as defined in section 1905)” and inserting “(as de-
24 fined in section 1905(b), as in effect on the day before

1 the date of the enactment of the Medicaid Fair Funding
2 Act of 1995)’’.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to payments made to States with
5 respect to calendar quarters beginning on or after January
6 1, 1996.

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